

**Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554**

In the Matter of	)	
	)	
2000 Biennial Regulatory Review --	)	CC Docket No. 00-229
Telecommunications Service Quality	)	
Reporting Requirements	)	

**Comments of  
The Indiana Utility Regulatory Commission  
On the  
NOTICE OF PROPOSED RULEMAKING**

**INTRODUCTION**

The following comments are on behalf of the Indiana Utility Regulatory Commission ("IURC "). The IURC is involved in the effort to promote competition and reduce regulation in order to secure lower prices and higher quality services for telecommunications consumers and encourage the deployment of new telecommunications technologies. However, as a state agency charged with the regulation of telecommunications utilities, we have the added obligations of ensuring that every person has access to just, reasonable, and affordable basic local telecommunications service; allowing and encouraging competition to determine the availability, prices, terms, and other conditions of providing telecommunications services; restructuring regulations to focus on quality of service, not the provider; encouraging the introduction of new services and entry of new providers; encouraging the development of new technologies; increasing investment in the telecommunications infrastructure in Indiana; providing incentives for telecommunications providers to offer the most efficient services and products; and improving opportunities for economic development and the delivery of essential services, including education and health care services.

In this proceeding,<sup>1</sup> the Federal Communications Commission ("FCC") proposes to streamline and reform its existing service quality monitoring program to further its perceived congressional mandate under the Telecommunications Act of 1996 ("TA-96" or "Act"). The FCC proposes to eliminate reporting of many categories of data, thereby significantly reducing the regulatory burden for incumbent local exchange carriers ("ILECs").

**BACKGROUND**

The IURC recognizes that the current monitoring program was implemented in 1991 as part of the FCC's transition to price cap regulation. The program was adopted to ensure that price cap ILECs would maintain a high level of service quality and to allow for a full evaluation of these carriers under price cap regulation. In the Ameritech region, not only has service quality not been maintained, but it has actually deteriorated to all time lows.

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<sup>1</sup> Hereinafter referred to as "NPRM."

The IURC would like to commend the Common Carrier Bureau for its foresight and work in establishing the reporting requirements to capture trends in service quality and infrastructure development in the telephone industry under price cap regulation. In addition, the integration of these reports into the Automated Reporting Management Information System ("ARMIS") was very helpful. Making the service quality trends available on the FCC's web site was an enhancement that greatly improved distribution of the data to consumers and states.

## **DISCUSSION**

### **States' Need of Quality of Service Data**

The IURC has relied on the data and reports provided by the FCC to monitor the quality of service provided in our respective states. In particular, such data and reports have played a critical role in the past months, because Indiana has suffered a dramatic degradation in the quality of service provided by one of the major telecommunications carriers in the state. The FCC's data and reports provided (and continue to provide) invaluable support in the service quality proceedings in our state. In addition, these reports not only allow us to monitor our state, but also permit us to compare our individual state's performance to that of other states in a meaningful way.

As stated above, the IURC relies on the information filed with the FCC in the Service Quality Monitoring program. We also greatly appreciate the work performed by the FCC's Staff in putting the information into meaningful charts and graphs that visually show service quality trends. We are concerned that the proposals contained in the NPRM will not give consumers the additional tools they need to be actively informed participants in a competitive marketplace. Indeed, we believe the proposals will substantially impair consumers' access to meaningful information and detrimentally reduce state regulators access to data needed to determine compliance with both state and TA-96 service quality goals.

### **Competitive Arguments**

As the telecommunications market grows more competitive, the need for companies to provide good service to attract and keep customers should serve as an incentive to maintain high quality service. Under such circumstances, the IURC foresees less of a regulatory role in monitoring service quality; however, we are far from that point at this time. Given the relatively early stage of development of competition, we agree with the FCC that information about service quality, like price, can and does have an effect on consumer purchasing decisions. Thus, the public availability of service quality information serves important consumer protection functions and operates as a valuable regulatory tool.

The IURC agrees with the FCC that even in a robustly competitive environment, public disclosure of quality of service information can be an important way to safeguard consumer interests. We urge the FCC to maintain and, when appropriate, move to improve the traditionally high level of service quality enjoyed by American consumers in furtherance of the Act's mandate. While the states may continue to impose their own service quality reporting and performance requirements on carriers, service quality reports that can be compared across state lines, such as a uniform national framework, serve many useful purposes. They provide a foundation to minimize overall reporting burdens, and a means of analyzing the effects of competitive entry on quality of service.

We argue that the FCC's service quality reporting requirements make even more sense in today's competitive marketplace than ever before. We strongly assert that the FCC and states must continue to be vigilant, ensuring that unwarranted deregulation does not cause service quality to deteriorate and that consumers have access to the high quality advanced services envisioned by TA-96. Although Section 11 of the Communications Act of 1934, as amended, requires review of all regulations that apply to the operations and activities of any provider of telecommunications service in even-numbered years beginning in 1998, such review is based upon a public interest standard. The FCC must determine if these regulations are no longer necessary as the result of meaningful economic competition between providers of the service. At this time, we do not believe that there is any meaningful economic competition between providers of basic local service.<sup>2</sup> Therefore, it is premature for the FCC to propose to reduce in any way the existing service quality requirements contained in the ARMIS 43-05 Report ("Service Quality Report") and ARMIS 43-06 Report ("Customer Satisfaction Report"). Further, we believe that reducing reporting requirements would permit monopoly ILECs to conceal their service quality performance and, thus, perpetuate degradation of service quality.

Additionally, resellers and competitors that purchase network elements from incumbent LECs often have no control over the quality of the resold service or the purchased elements that they provide. This directly impacts the quality of service they are able to provide to their retail customers. These customers have no way of knowing how the underlying network is configured and who is truly to blame for the service problems. The service quality measures should take into account problems such as this, which directly affect the promotion of competition. Therefore, the current service quality reporting program should be continued until there is meaningful competition.

### Reporting Requirements

The IURC encourages the FCC to keep the current ARMIS 43-05 Service Quality Report in its present form. The price cap ILECs should continue to provide information on different measures of service quality. The report is organized in five tables: (1) installation and repair intervals for interexchange carriers (IXCs); (2) installation and repair intervals for local service customers; (3) trunk blockage; (4) total switch downtime and occurrences of two minutes or more duration; and (5) federal and state service quality complaints. The ARMIS 43-06 Customer Satisfaction Survey should also be maintained in its present form. We ask the FCC to continue to make the information publicly available, as it is today on the FCC web site.

The IURC suggests that the service quality monitoring process that is in place today could be improved with some form of audit of the submitted information. Recently the Communications Workers of America ("CWA") released a copy of a report in which it alleged Verizon Communications had falsified some of its service record reporting. The CWA study, which was funded by Verizon and based on 2,000 interviews with Verizon employees and 2,000 confidential phone calls, alleges that managers purposely changed dates on reports to make repair work appear more timely, failed to service consumer in-home wiring issues, and closed repair requests before repairs had been completed. The nation's largest phone provider has criticized the report, and stated it had found no evidence of misreporting by its managers. However, the CWA report calls attention to the potential for misreporting of service quality results.

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<sup>2</sup> As of December 31, 1999, less than 1.4% of Indiana's access lines were being served by Competitive Local Exchange Carriers ("CLECs"). Report of the Indiana Utility Regulatory Commission to the Regulatory Flexibility Committee, September 2000.

The Commission should not consider the service quality monitoring program used for the airline industry as a potential model for telecommunications service quality program. The program for the airline industry is predominantly voluntary and we assert that a voluntary program would not be appropriate for the ILECs, at this time. The information required from the airlines is too minimal and not well focused on measurements that have the greatest importance to consumers. Additionally, telecommunications consumers and regulators need more information to keep informed about service problems. Such types of minimal information are not adequate when evaluating performance or holding formal hearings on service performance.

To depict a carrier's service quality in urban and rural areas, the current ARMIS service quality reports disaggregate information into results in Metropolitan Statistical Areas ("MSAs") and Non-Metropolitan Statistical Areas ("Non-MSAs"). The IURC encourages the FCC to retain the practice of disaggregating data into MSA and non-MSA categories. Although it is claimed there has been no significant variance in performance for MSA and non-MSA areas in the past, we cannot predict what may happen in the future. We have already seen service quality trend differences develop between residential and business services, and we believe that a similar trend will develop in the urban versus rural arena. Therefore, we believe that this data remains relevant and should be maintained.

Currently, only price cap ILECs file the ARMIS 43-05 and 43-06 reports. The Commission does not collect service quality data from non-price cap LECs, both incumbent and competitive, serving rural areas. The IURC believes that if consumers had access to service quality data from all carriers providing local exchange service in their area, they would be in a better position to make an informed choice of carrier. Currently there are no meaningful marketplace forces present to provide incentives for competitors to voluntarily disclose information about service quality. We believe that the imposition of these requirements on CLECs and smaller LECs will benefit the transition from traditional regulation to a competitive open market. At the same time it will enhance the ability of the IURC to ensure that service quality is maintained and customers have adequate access to information. To alleviate the burden on small companies, an option for them to file electronically and less frequently could be added.

The IURC opposes voluntary service quality reporting procedures for certain carriers. The Commission should establish mandatory service quality reporting requirements for companies serving a specific number of access lines or meeting some other set criteria. One example of another possible criteria is if the company has to pay into the Universal Service Fund they should be required to file a report, and all other carriers could be allowed to file voluntary service quality reports. If this were done, the voluntary reports would have to be in the same format and use the same definitions as the required reports to facilitate comparisons between carriers. In addition, the data in the voluntary reports would need to be reported with the same frequency required in the mandatory reports, to facilitate useful comparisons by consumers. Carriers should not however, be relieved of all mandatory reporting. The companies should be required to report, until such time as there is adequate competition and companies are making service commitments to their customers that include performance liabilities that are enforceable by the consumer.

Currently, carriers subject to ARMIS 43-05 file reports on an annual basis. In the 1996 Act, Congress required that ARMIS data be filed only on an annual basis. NARUC's Service Quality White Paper proposes that the Commission gather service quality information on a quarterly basis. We agree that the companies should file the information quarterly, especially in light of the fact that in recent months service quality for some carriers has started to deteriorate. If the service levels continue to deteriorate service quality information may need to be collected more frequently than quarterly for those companies.

While carriers that currently file ARMIS 43-05 data must retain the data for four years, the underlying data need not be retained more than two years. The Commission could relax its underlying data requirement if an audit of this data is done on a random basis.

The IURC at this time believes the information in Table I of the ARMIS Report 43-05 Service Quality Report, currently collects information from price cap incumbent LECs about the installation and repair of access services provided to inter-exchange carriers. In Table III of the same report, price cap carriers provide information about common trunk group blockage. This information is useful and is going to be needed more and more as the LECs are allowed to compete in the inter-exchange market. While IXCs are able to monitor service quality through operation of their business relationships with the incumbent local exchange carriers, it will be useful for the regulators and consumers to have a base line to evaluate the service quality in this area as LECs are allowed into in-region long distance services.

The Commission should continue to collect the information contained in Table IV of ARMIS Report 43-05. The IURC believes the competitive pressures to achieve network reliability in today's marketplace have not been sufficient to replace the need for reporting of network reliability data. Carriers should be required to report in ARMIS 43-05, Table IV, the number of switches serving specified numbers of lines and the number of times switches are down for two minutes or longer. The number and duration of switch outages and interoffice transmission facility outages indicates the carrier's performance in providing continual access to the full capabilities and benefits of the network. This data should continue to be gathered in ARMIS as a complement to information collected on large switches by the Network Reliability and Interoperability Council. This information has permitted regulators to monitor and assess network reliability, which is important to consumers because such outages affect service in their area.

### Conclusion

The IURC relies on the data in the ARMIS reports in many proceedings that come before the IURC. This data has been very useful, especially recently when we experienced a dramatic degradation in the quality of service provided by one of the major telecommunications carriers in our state. The FCC's data and reports provided (and continue to provide) invaluable support in these service quality proceedings as well as in merger proceedings and many others. In addition, these reports not only allow us to monitor our state, but also permit us to compare our individual state's performance to that of other states in a meaningful way.

Service quality information can enable consumers to compare the carriers in their area and make informed choices between carriers. We believe that the currently publicized service quality data on the Commission's web site is adequate. The IURC agrees with the Commission that because carriers are required to report accurate information to the Commission, and the Commission can require carriers to correct inaccurate data, collecting information at the federal level provides some ability to ensure that the information is accurate. This ultimately benefits consumers. The Commission however, should consider some minimal audits of the data submitted. Additionally, carriers should be encouraged to post service quality data on their web sites, including information concerning the number of complaints filed with the Commission and state commissions, and the number of issues raised before federal or state regulators that have been referred to the carrier for further investigation and action. There is no need for public disclosure methods. Customers can obtain the information by calling the Commission or going to public libraries and accessing the information.

Currently our state collects no other regular service quality information. We have been using exclusively the information collected by the Commission. Our desire is that the Commission's data be the only data required in order to reduce reporting requirements and to have data comparable across all jurisdictions.

The IURC hopes to continue to work with the Commission to ensure that consumers enjoy high quality telecommunications service throughout the United States.

Submitted on behalf of

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